

Lesson 22.1 The Functions of Management

LESSON QUIZ

Directions: For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- T 1. Effective managers are able to organize the resources and work of a company in ways that result in success.
- F 2. People will be able to complete the tasks of a business even if adequate resources are not available.
- T 3. Implementing a marketing strategy effectively requires both people and other resources.
- F 4. The work of managers can be described by three functions, planning, implementing, and evaluating.
- T 5. Long-range planning involves setting broad goals and direction.
- T 6. Short-range planning is also known as operational planning.
- F 7. Controlling is the ability to communicate the direction of the business and to influence others to successfully carry out the needed work.

Directions: For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- D 8. Marketing managers are successful when
 - A. the marketing plan is completed
 - B. all marketing jobs are filled
 - C. all products are sold
 - D. customers are satisfied and the company is profitable
- A 9. Marketing managers are responsible for
 - A. identifying target markets and planning marketing mixes
 - B. manufacturing the product
 - C. providing the revenues needed by the business
 - D. all of the above
- B 10. The activities needed to match individuals with the work to be done are known as
 - A. organizing
 - B. staffing
 - C. leading
 - D. controlling

Activity 1 • Dividing Time

Directions: Interview a manager of a local business and determine in an average week how much of the manager's time is spent on each of the five management functions. Prepare a pie chart in the space below that illustrates the percentage of an average work week spent on each function. Bring your findings to class and share them with your classmates. How are they the same or different? Combine your results with other class members to determine averages for all managers. What conclusions can you draw from your findings and those of your classmates?

Answers will vary depending on the responses the students receive from the managers. Students can compare results based on types of business (manufacturing, retail, wholesale, product or service provider), small or large business, level of management, and so on.

Activity 2 • Managing in Fives

Directions: For each of the following management functions, list five activities that a marketing manager might perform.

Planning: set long-term financial goals for each market, set long-term sales volume goals for products and sales territories, set goals for customer satisfaction, set goals for new product development, set goals for overall company performance

Organizing: develop an organizational structure for all marketing activities, assign responsibility for specific tasks to departments and manager, develop effective working relationships among work groups, design channels of distribution

Staffing: identify marketing jobs, prepare job descriptions, recruit and hire personnel, determine compensation plans, provide training programs for personnel

Leading: motivate employees, develop effective communication within the organization, involve employees in decision making whenever possible, develop work teams, develop ways to communicate effectively, encourage and recognize employees

Controlling: set performance standards, collect and analyze information, review budgets and current performance, compare actual to forecast information, control costs, determine if goals are met

Lesson 22.2 Managing Effectively with a Marketing Plan

LESSON QUIZ

Directions: For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- T 1. Most successful companies develop and follow written business plans while unsuccessful ones do not.
- T 2. A marketing plan serves as a long-range plan that sets goals and direction for the company for the length of time that the plan is in effect.
- F 3. The market analysis portion of a marketing plan provides detailed information for managers about the specific activities they need to perform.
- F 4. The marketing strategy section of a marketing plan describes the competition and the economy.
- F 5. Much of the organizing work in a company should be done after a marketing plan is developed.
- T 6. Marketing effectiveness requires that both the customers and the business are satisfied.
- F 7. The only important measure of business success is profit.

Directions: For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- A 8. A company will not want to change its basic organizational structure unless
 - A. it sees ways to improve performance
 - B. a manager leaves the company
 - C. all managers agree to the organizational change
 - D. all of the above
- B 9. A(n) _____ specifies the minimum level of expected performance for an activity.
 - A. business plan
 - B. performance standard
 - C. organizational objective
 - D. effectiveness measure
- C 10. A group of employees who work together toward a common purpose or goal without the usual managerial supervision is a(n)
 - A. department
 - B. marketing team
 - C. self-directed work team
 - D. entrepreneurial organization

Activity 1 • Advertising Your Philosophy

Directions: Often companies use an important organizational or management policy or philosophy in headlines or taglines for their promotional campaigns. An example of this is General Electric's focus on innovation using "Innovation = Imagination" as a promotional theme. Look through current magazines and newspapers and identify three advertisements that use a management philosophy in their promotional copy. Cut out these advertisements and paste them on a piece of paper. Answer the following questions.

1. What is the organizational or management philosophy or policy being emphasized?
2. How does the company expect to benefit by using this philosophy or policy in the company's advertising?

Answers will vary.

Activity 2 • From Problems to Plans

Directions: Planning and controlling are interrelated management functions. As a part of reviewing performance results, managers identify problems and issues that lead to planning activities. For the following general business problems, write a specific planning activity for the company designed to address the problem.

1. Sales volume has been declining at all stores on the east side of the city. Complete research on differences in customers, store operations, and economic conditions, comparing east side stores with those in other parts of the city.
2. Operating supply costs have increased 10 percent in one year. Analyze the process used to solicit and select vendors and bids for all large volume purchases of operating supplies in order to emphasize cost control.
3. Employee accidents are increasing among persons employed more than five years. Determine current training schedules and programs for experienced employees and reemphasize regular safety training and the need to follow safe operating procedures.
4. Customer surveys indicate customers would like the store to stay open later in the evenings. Prepare a projection of costs associated with staying open one additional hour for management review at the next staff meeting.
5. Supervisors report that employee morale seems to be low. Involve employee work teams in developing new employee motivation and rewards programs.
6. Employees are leaving the company for higher salaries at other businesses. Prepare a report for the next management meeting that compares salaries and benefits of a variety of local businesses to be used in reviewing the company's compensation plan.

Lesson 22.3 The Work of Marketing Managers

LESSON QUIZ

Directions: For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- T 1. The activities managers perform while carrying out the five management functions vary.
- F 2. A marketing executive spends most planning time on quarterly, monthly, and weekly plans.
- T 3. Procedures are the steps to be followed for consistent performance of important activities.
- T 4. Most sales managers are very active in training salespeople and helping them improve their selling skills.
- T 5. Top managers have more leadership responsibilities than lower-level managers.
- T 6. All managers must be able to involve people in planning, communicate expectations, and build effective teams to accomplish work.
- T 7. An effective marketing information system is important to managers in order to complete the controlling function.

Directions: For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- D 8. Marketing activities in a company can be organized by
 - A. geographic locations
 - B. type of market
 - C. product category
 - D. all of the above
- C 9. Rules or guidelines to be used in a company to make consistent decisions are
 - A. plans
 - B. procedures
 - C. policies
 - D. standards
- A 10. The major controlling activity of managers is to
 - A. gather and review information to determine if objectives, plans, and standards are met
 - B. develop the standards for performance of the company's marketing activities
 - C. correct mistakes that cause marketing problems
 - D. revise the marketing plan

Activity 1 • Staffing and Compensation Planning

Directions: Use the information provided to develop a work schedule for a store and to answer the questions that follow.

Sarah Mendez is opening a gift boutique. The store will be open Monday through Friday: 10:00 a.m. until 8:00 p.m.; Saturday: 10:00 a.m. until 5:00 p.m.; and closed on Sunday. Sarah plans to work every day until 5:00, and she needs one full-time person for each of the days, 10:00 until 5:00. She also needs two part-time employees at night from 4:00 until 9:00. On Saturday, she wants two employees to work from opening until one hour past closing. She has decided to hire the following people.

José—can work after 3:00 p.m. on Mondays, Wednesdays, and Fridays

Tara—can work 10:00 until 5:00 every day except Thursdays

Jim—can work every Saturday and Tuesday night

Linda—can work every other Saturday and all day Mondays and Thursdays

Fred—can work every evening after 4:00

Ann—can work every other Saturday and one or two days during the week until 5:00

- Complete the following work schedule for the boutique by identifying the days and times each employee will work.

One work schedule is shown but others are possible.

	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
10:00						
11:00						
12:00						
1:00	Tara	Tara	Tara	Linda or Ann	Tara	Jim and Linda or Ann
2:00						
3:00						
4:00						
5:00						
6:00	José and Fred	Jim and Fred	José and Fred	Fred	José and Fred	
7:00						
8:00						
9:00						

- Are all work days currently covered with the necessary number of employees? *No*
- If not, what else does Sarah need?

She needs to find another employee for Thursday evening or work that evening herself.

- If Sarah pays a wage rate of \$6.55 per hour to each employee and pays herself \$350 per week, what will be her total weekly wage and salary costs based on the number of hours currently covered?

96 hours × \$6.55 = \$628.80 + \$350 = \$978.80 (no benefits included)